

Audit's®

NEWS ANALYSIS OF SECURITIES OF REAL ESTATE INVESTMENT TRUSTS

Realty Trust Review

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INVESTMENT OUTLOOK: RATE FEARS HURT TRUST STOCKS WHILE DOW ADVANCES

How far up can the prime rate rise?

That question comes up daily now and it obviously is tempering investor enthusiasm for realty trust shares -- especially the strong dividend payers.

Trust shares backed off 0.7% for the latest month (see Comparative Trust Group Averages - page 3). Mortgage trusts and the recovering mortgage/foreclosed property trusts were hardest hit, down 1.5% and 4.6% respectively.

Meantime property trusts rose an average 1.6%, reflecting thirst for equities.

The Dow-Jones Industrials jumped 3.4% in the month, although weakness has developed and this market swing may have topped out for now.

Money markets are likely to stay taut for some time, until there's some evidence that inflation is weakening, and this means that investors are likely in for more of the same.

How far up? Last time around, in 1973, an unexpected oil embargo triggered an inventory buying boom that quickly swung into recession.

Thus all bets are off if we run into another commodity price shock or turmoil

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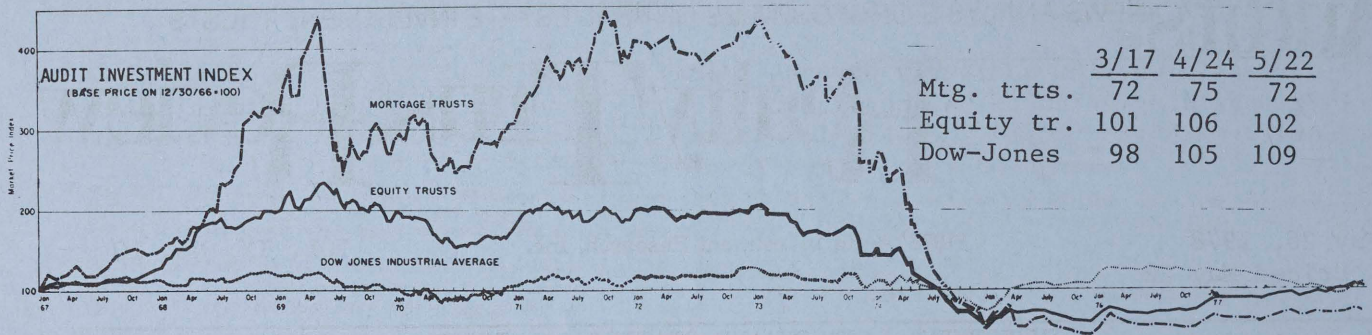
Barnes Mtg. Inv.	Central Mtg. & Rl.	First Cont'l. Mtg.	Guardian Mtg.
Builders Inv. Gr.	Colwell Mtg. Tr.	First Mortgage Inv.	Hamilton Inv.
Capital Mtg. Inv.	Continental Mtg. Inv.	Great Amer. M&I	Heitman Mtg.

Prices prepaid: \$15 per individual trust, \$30 for the packet.

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in foreign money markets.

Absent such events the prime rate should stay below 10% this year. But like all money market projections, that's fragile and subject to change as events unfold. Best market strategy is to build a good list of likely candidates.

Best bets: large institutionally sponsored trusts selling well below book value. Most were weak last month and may weaken a bit more: Equitable Life Mtg., MassMutual, PNB Mtg., Rlty. & Mtg. of Pacific, Sutro, Saul. Non-dividend paying recovery candidates include North American Mtg., Mission Inv., and Colwell, all down last month. With subordinated debt interest gone, Colwell could earn a small amount in the last half of 1978. But with negative common book value, the preferreds are more attractive.

CHASE MANHATTAN TRUST WILL SEEK PRE-APPROVED BANKRUPTCY PLAN

Chase Manhattan Mtg. & Realty, last month's biggest loser with a drop of 50%, made it official: it will seek extensive restructuring with two main elements: 1) A pool of from \$180 to \$240 million of assets would be set aside to repay both banks and the matured 7-7/8% senior notes, and 2) subordinated debt holders would be asked to approve a bankruptcy plan calling for them to become equity owners of a slimmed trust with \$58 to \$68 million assets.

Banks listened but have not yet commented on the plan. If they accept, sponsor Chase Manhattan Bank would make a \$41½ million secured loan to the trust so funds could repay the matured 7-7/8s, with interest, perhaps in one year, and at par. If that happens, those bonds would be good bets from recent quotes of 75-83.

The three subordinated debt issues might wind up with 75% to 85% of shares of the new trust (it would change its name and sever relations with the bank). But the indenture trustee for the matured bonds has sued to recover and this plus any number of other contingencies could delay the plan. Clearly it's too late to sell and we'd hold the bond issues because current prices should be the panic lows.

TENDERS/EXCHANGE OFFERS: TRI-SOUTH MORTGAGE, BAY COLONY AND CITIZENS & SOUTHERN EXTEND

Three large tender offers have been extended as initial response is slow to disappointing (see RTR May 12). Tri-South Mortgage Inv. extended its offer of a new 10% senior convertible for its existing 7-3/4s and 7s until June 15 with about 34% and 30% respectively of the issues in. May 31 is last record date for getting interest from Feb. 16 on the new debentures. The new 10s are trading sporadically on the Philadelphia SE and are quoted at 92-98. TSI seeks 55% tenders (RTR, Apr. 14).

Bay Colony Property got a much better 53% acceptance of a new 8½% sinking fund debenture at \$1,050 face amount, plus 20 shares, for \$1,000 of old 8½% notes due 1981. BAY seeks 75% and extended the offer till May 31.

Citizens & Southern Realty got about 20% acceptance in its first period seeking 75% acceptance of either 50¢ in cash or \$15 cash and \$85 of a new debenture for \$100 face amount of its 6-3/4% debentures maturing Oct. 15 (see RTR, May 12). New deadline is June 7. Midland Mortgage's latest deadline is May 31 on its tender (RTR Mar.23).

DIVIDEND TRENDS: INTERNAL RECOVERIES SPARKED DIVIDEND HIKE IN MAY

Four trusts boosted quarterly payouts in May vs. two reductions. The boosters were heavily property oriented on balance. Pure property owner Hubbard Real Estate continued its recovery with its fourth increase in as many quarters as re-leasing of vacated Grant space is bringing earnings back to former levels. Virginia Real Estate raised 5¢ in recognition of higher cash flow levels from its properties while problems have at least stabilized. BankAmerica Realty, 44% property, made another boost as it benefited from continuing reduction of problems. Pacific-Southern gained modestly as a stable, unleveraged mortgage lender. The two reductions were by Realty ReFund which suffered further narrowing of spread because of higher interest rates and American Equity, a small apartment owner with seasonal variation making comparisons less meaningful.

	Up	Same	Down	Total	%Change
May	4	8	2	14	+ 1%
Year	25	49	4	78	--
-----From previous year-----					
May	8	5	1	14	+ 5%
Year	45	29	4	78	--

Trust	Record date	Latest	Previous	Dividend/share	Net change	Percent	Special	Year Ago	% Change
Amer. Equity Inv.	4/21	\$0.12	\$0.18	\$-.06	-33	--	--	\$0.09	+33
BankAmerica Rty.	6/1	0.20	0.15	+.05	+33	--	--	0.13	+54
Commonwealth Rty.	5/22	0.20	0.20	--	NC	--	--	0.20	NC
Consol. Capital Rty.	5/17	0.17M	0.17	--	NC	--	--	0.1684	+1
GREIT Realty	7/17	0.10	0.10	--	NC	--	--	0.10	NC
Hubbard Real Estate	6/23	0.34	0.33	+.01	+3	--	--	0.30	+13
Nationwide R.E.	5/22	0.04	0.04	--	NC	--	--	0.03	+33
Pacific-Southern Mtg.	5/22	0.16	0.15	+.01	+7	--	--	0.15	+7
Property Trust Amer.	5/26	0.07	0.07	--	NC	--	--	0.05	+40
REIT of California	4/3	0.30	0.30	--	NC	--	--	0.30	NC
Realty Income	5/31	0.35	0.35	--	NC	--	--	0.35	NC
Realty ReFund	5/31	0.51	0.53	-.02	-4	--	--	0.60	-15
Terrydale Rty.	5/19	0.37	0.37	--	NC	--	--	0.37	NC
University REIT	5/17	0.09M	0.09	--	NC	--	--	0.05	+80
Virginia REIT	5/17	0.15	0.10	+.05	+50	--	--	0.10	+50
Washington REIT	6/5	0.45	0.45	--	NC	--	--	0.44	+2
TOTALS (14 Trusts)b		\$3.36	\$3.32	\$.04	+1%	--	--	\$3.21	+5%

b-Excludes monthly dividends. NC-No change. M-Monthly.
Trusts with dividend reduced from previous quarter underlined.

COMPARATIVE TRUST GROUP AVERAGE 05/22/78

GROUP	QUAL	NON-QUAL	TOTAL	SHARE (000)	BOOK VALUE	ANN DIV*	EARN ANN*	LAST PRICE	% CHNG MON	FROM JAN 1	P/E RATIO	ANN* YIELD	% PR TO BK	RETURN ON BK	MARKET VALUE
PROPERTY-LARGE	21	0	21	2159	11.43	1.02	1.19	13.47	0.8	5.8	11.3	7.5	17.8	10.4	673.3
-SMALL	7	0	7	893	12.49	1.25	1.41	12.47	2.1	5.9	8.8	10.0	-0.2	11.3	72.3
-SUBOR LAND	3	0	3	1862	15.83	1.08	1.18	12.63	7.2	6.7	10.7	8.6	-20.3	7.5	58.5
AVERAGE 3 PROP GROUPS			31	1844	12.09	1.07	1.23	13.16	1.6	5.9	10.6	8.2	8.8	10.2	804.1
PROP & MTG COMBINATION	15	9	24	2136	9.74	0.34	0.45	7.30	-1.8	9.3	16.1	4.7	-25.1	4.6	429.7
SHORT-TERM MTG	11	0	11	1757	14.85	0.54	0.54	9.17	-1.0	10.4	17.0	5.9	-38.2	3.6	196.3
LONG-TERM MTG/PROP	13	0	13	3442	14.81	0.98	0.92	10.99	-1.5	-6.2	11.9	8.9	-25.8	6.2	481.4
MTG/FCLSD PROP-MISC	10	7	17	2536	3.76	0.00	0.12	2.87	-3.3	11.9	22.5	0.0	-23.5	3.4	115.4
-BANK	0	18	18	2045	2.07	0.00	0.36	2.71	-5.8	20.7	7.5	0.0	30.9	17.6	81.7
-INDEPEND	0	28	28	3385	0.44	0.00	0.04	1.59	-4.5	15.6	37.1	0.0	260.4	9.7	121.1
AVERAGE 3 MTG/FCLSD PROP			63	2772	1.80	0.00	0.15	2.25	-4.6	16.0	14.3	0.0	25.2	8.7	318.2
OVERALL AVERAGE	80	62	142	2445	7.59	0.42	0.54	6.82	-0.7	6.3	12.6	6.2	-10.1	7.1	2229.7
DOW-JONES INDUSTRIAL AVERAGE								89.10	854.21	+3.4	+2.9	9.6	5.4		

*Latest quarter annualized

STRAIGHT BONDS

ISSUER & DESC.	EX	INT.	MAT	MIL \$	PRICE	% CHANGE	% YIELD
ATICO MTG-C#	NY	6.75	'82F	16.9	57.00	-9	11
BT MTG INV-C	OC	5.75	'82	20.0	60.00	-10	9
BARNETT MTG-C	OC	6.75	'91	17.3	55.00	7	DEF
BARNETT MTG-CD	OC	8.50	'98	30.0	80.00	14	DEF
BARNETT-WIN-CE	OC	8.25	'98	30.0	58.00	-4	DEF
BAY COLONY PROP-C	NY	8.50	'81F	23.0	79.00	-4	10
CHASE MAN TR-A	OC	7.88	'78	36.7	75.00	-23	DEF
CHASE MAN TR-C	OC	7.50	'83	41.2	38.00	-45	19
CITIZNS&SO RLTY-C	OC	6.75	'78	30.0	46.00	-7	DEF
CITIZNS MTG INV-B	OC	8.50	'80	20.0	37.00	-9	DEF
COLWELL MTG-B	OC	8.20	'80	25.0	48.00	-9	VJ
CONT ILL RLTY-B	NY	7.63	'79	25.0	85.25	-5	9
COUSINS M&E-C	NY	6.50	'82F	30.0	57.50	-2	11
FIRST MTG INV-A	OC	6.75	'82	9.1	54.00	35	12
FIRST MTG INV-A	OC	8.25	'77	0.3	70.00	7	DEF
FIRST NEWPORT-B	OC	8.75	'79	7.0	61.00	-18	14
FIRST VIRGINIA-B	OC	8-12	'80	5.0	74.00	-1	10
FIRST VIRGINIA M	OC	4.00	'80	15.0	65.00	-1	6
GMR PROPERTIES-C	AS	7.70	'80	20.0	78.25	-6	9
GREAT AMER MGMT-B	OC	7.55	'79	25.0	23.00	0	VJ
GREAT AMER MGMT-C	OC	8.75	'83	25.0	18.00	50	VJ
GUARDIAN MTG-B	OC	7.50	'79	25.0	29.00	-14	VJ
GUARDIAN MTG-C#	OC	6.75	'86	8.6	20.00	-12	VJ
IDS REALTY-H	OC	----	----	169.8	60.00	15	NC
INSTITNL INV-B	NY	7.88	'80	20.0	71.00	-10	11

STRAIGHT BONDS

ISSUER & DESC.	EX	INT.	MAT	MIL \$	PRICE	% CHANGE	% YIELD
JUSTICE MTG-B	OC	7.75	'79	9.6	41.00	0	VJ
LMI INVESTORS-C	NY	6.75	'82	9.2	74.00	-3	9
MIDLAND MTG-B	NY	8.00	'80	17.1	59.00	-7	13
MTG INV WASH-B	OC	9.25G	'80	15.0	70.00	0	13
NJB PRIME INV-C	OC	7.00	'80	4.7	34.00	3	DEF
NATIONWIDE RE-C	OC	7.00	'91	6.5	71.00	0	9
NO AMER MTG-B	OC	8.50	'87	12.1	78.00	-3	10
NO AMER MTG-C	NY	5.50	'79	16.3	90.75	-1	6
SAUL (B.F.)-C	NY	8.50	'80	25.0	89.88	-4	9
SECURITY MTG-#	AS	7.25	'82	50.0	89.50	0	8
SECURITY MTG-C#	OC	6.00	'82	17.1	67.00	-0	9
STATE MUT INV-B	NY	9.00	'80F	6.2	95.00	-2	9
TRI-SOUTH MTG-B	NY	7.75	'80	25.0	62.13	-7	DEF

DESCRIPTION: A-SENIOR; B-SENIOR SUBORDINATE; C-SUBORDINATE OR JUNIOR SUBORDINATE. D-CONVERTIBLE AT \$39 TILL 9/1/78 WHEN PRICE MAY BE ADJUSTED. E-CONVERTIBLE AT \$31 TILL 12/1/78 WHEN PRICE WILL BE ADJUSTED. F-VARIABLE AT 1 1/2% OVER MONTHLY PRIME. G-VARIABLE RATE AT 1 1/4% OVER PRIME IN OCT. AND APRIL. H-FIVE SERIES, A-E: 6-7/8, 7-1/8, 7-3/8, TWO VARIABLE; 1987-94. VJ-BANKRUPTCY REORGANIZATION.

X-SUSPENDED BY EXCHANGE. DEF-IN DEFAULT.
#-MAY BE USED AT PAR TO EXERCISE WARRANTS.
F-TRADES FLAT, WITHOUT ACCRUED INTEREST.

EXCH/ SYMBOL	SHARE (000)	BOOK VALUE	ANN DIV*	-EARNINGS-- MON ANN*	LAST PRICE	% CHANGE MON AGO	FROM- JAN 1	P/E RATIO	ANN* YIELD	% PR TO BK	RETURN ON BK	MKT VA (MILS)
PROPERTY TRUSTS-OVER \$25M ASSETS												
AMER EQUITY IT#	2497	6.36	0.58	SEP	0.71	6.00	-17.2	4.3	8.5	9.7	-5.7	15.0
API TRUST	1012	7.53	0.00	DEC	0.00	4.25	9.5	0.0	0.0	0.0	-43.6	4.3
CMNWLTH RLTY #	1180	6.52	0.80	NOV	0.00	9.75 X	2.1	8.3	0.0	8.2	49.5	0.0
CONSOL CAP RLY#	1989	19.63	2.04	AUG	2.40	30.00 X	4.0	11.1	12.5	6.8	52.8	59.7
CONT ILL PROP#	4808	20.18	1.28	JAN	1.32	14.88	-3.3	-4.0	11.3	8.6	-26.3	6.5
DENVER REIA#	1091	8.29	0.72	DEC	2.31	10.38	3.8	23.9	4.5	6.9	25.2	11.3
FEDERAL REALTY	1407	9.70	1.36	MAR	1.22	16.88	0.8	3.9	13.8	8.1	74.0	23.8
FIRST FIDELITY#	866	10.47	0.40	NOV	0.36	9.00	-1.4	59.9	25.0	4.4	-14.0	3.4
FIRST UNION #	4263	8.46	1.04	JAN	0.97	11.50	-2.1	-10.7	11.9	9.0	35.9	49.0
FLORIDA GULF#	995	14.89	1.28	JAN	1.52	14.00	-5.1	0.0	9.2	9.1	-6.0	13.9
GENERAL GROWTH#	6202	6.38	1.48	MAR	1.54	25.50	-2.4	5.7	16.6	5.8	299.7	158.2
GOULD INVESTOR#	1174	6.84	0.80	MAR	1.04	8.50	3.0	21.4	8.2	9.4	24.3	10.0
GREIT REALTY #	998	11.23	0.40	JAN	0.92	6.88	-1.7	7.8	7.5	5.8	-38.7	6.9
HUBBARD REI	4004	22.61	1.36	APR	1.64	17.38	-1.4	-2.1	10.6	7.8	-23.1	7.3
NEW PLAN RLTY#	1690	4.21	1.02	JAN	1.13	12.50 X	0.7	2.0	11.1	8.2	196.9	21.1
PENN REIT #	1516	12.11	1.25	FEB	1.44	14.75	-3.3	3.5	10.2	8.5	21.8	22.4
PRUDENT REIT#	3217	2.88	0.24	NOV	0.00	3.63	-3.2	38.0	0.0	6.6	26.0	11.7
REIT OF AMERICA	1633	21.59	1.20	FEB	1.48	15.38	-3.9	6.1	10.4	7.8	-28.8	6.9
SAN FRAN RE #	1376	19.96	1.20	MAR	1.40	16.25 X	7.6	7.4	11.6	7.4	-18.6	7.0
UNIVERSITY REIT	1907	8.71	1.08	SEP	1.33	10.75 X	-1.5	2.4	8.1	10.0	23.4	20.5
WASH REIT #	1518	11.58	1.80	DEC	2.20	24.75	-1.0	2.6	11.3	7.3	113.7	37.6
GROUP AVERAGE	2159	11.43	1.02		1.19	13.47	0.8	5.8	11.3	7.5	17.8	673.3
PROPERTY TRUSTS-SPECIALITY PROPS & UNDER \$25M ASSETS												
GENERAL RE #	557	7.02	1.12	DEC	1.44	7.50	7.1	25.0	5.2	14.9	6.8	4.2
HOTEL INVESTOR#	1555	17.36	1.68	FEB	2.00	17.88	-3.4	5.2	8.9	9.4	3.0	27.8
PITTS & W VA RA	1510	22.46	0.56	MAR	0.84	6.63	-1.8	-15.9	7.9	8.4	-70.5	10.0
RE INV PROPS	480	15.07	2.12	MAR	1.84	20.50	0.0	2.5	11.1	10.3	36.0	9.8
REIT OF CALIF	550	8.95	1.20	MAR	1.28	15.00	7.1	20.0	11.7	8.0	67.6	8.3
TERRYDALE R#	336	13.47	1.48	DEC	1.88	13.75 X	-0.9	1.9	7.3	10.8	2.1	4.6
US EQUITY & MTG	1265	3.11	0.60	JAN	0.60	6.00	0.0	9.1	10.0	10.0	92.9	7.6
GROUP AVERAGE	893	12.49	1.25		1.41	12.47	2.1	5.9	8.8	10.0	-0.2	72.3
PROPERTY TRUSTS-SUBOR LAND LEASEBACK												
ICM REALTY	3011	14.61	0.24	FEB	0.51	8.75	4.4	25.0	17.2	2.7	-40.1	26.3
JMB REALTY	510	19.21	1.80	FEB	1.84	18.00	9.1	9.1	9.8	10.0	-6.3	9.2
PROPERTY CAPITL	2065	13.68	1.20	JAN	1.20	11.13	-2.2	-7.3	9.3	10.8	-18.6	23.0
GROUP AVERAGE	1862	15.83	1.08		1.18	12.63	7.2	6.7	10.7	8.6	-20.3	58.5
PROPERTY & MTG COMBINATION												
BANKAMER RLTY	3547	16.59	0.80	APR	1.03	11.75	8.0	11.9	11.4	6.8	-29.2	41.7
BRT REALTY	1400	2.75	0.00	FEB	0.00	0.94	-16.8	36.2	0.0	0.0	-65.8	1.3
CONN GEN M&R#	5718	19.18	1.60	DEC	1.76	19.00	-0.7	-9.5	10.8	8.4	-0.9	108.6
FLATLEY REALTY	1000	6.95	0.00	DEC	0.16	3.88	-8.7	19.4	24.3	0.0	-44.2	3.9
INDIANA M&R #	1154	8.41	0.00	MAR	0.44	4.38	-7.8	25.1	10.0	0.0	-47.9	5.1
INVESTORS RL#	1579	10.73	0.50	FEB	0.76	8.38	8.1	11.7	11.0	6.0	-21.9	13.2
MILLER HENRY S	560	16.88	0.80	FEB	0.68	11.50	-4.2	15.0	16.9	7.0	-31.9	6.4
MORTGAGE GROWTH	2627	10.67	0.56	FEB	0.40	7.63	1.7	32.7	19.1	7.3	-28.5	20.0
PROP TR AMER#	2338	7.36	0.28	DEC	0.32	5.00 X	-7.8	-2.5	15.6	5.6	-32.1	11.7
REALTY INCOME	1566	10.96	1.40	JAN	0.00	12.25	0.0	-4.9	0.0	11.4	11.8	19.2
RIVIERE RLTY #	783	8.50	0.50	DEC	0.96	6.00	9.1	9.1	6.3	8.3	-29.4	4.7
SAUL (BF) REIT	5850	5.44	0.00	MAR	0.00	5.75	-17.9	35.3	0.0	0.0	5.7	33.6
UBT BANCORP #	840	16.51	0.00	FEB	1.08	12.38	5.4	23.8	11.5	0.0	-25.0	10.4
VIRGINIA REI#	1251	10.31	0.60	APR	0.60	10.00 X	-1.0	29.0	16.7	6.0	-3.0	12.5
WELLS FARGO M&E	3911	17.16	1.20	MAR	0.96	11.88 X	-6.3	-10.3	12.4	10.1	-30.8	46.5
GROUP AVERAGE	2275	11.23	0.55		0.61	8.71	0.1	8.1	14.3	6.3	-22.4	338.8
SHORT TERM MTG-MTG BANKER & MISC FIN SPONSOR												
BAIRD & WARNER	1043	16.09	0.14	APR	0.00	7.63 X	2.2	27.2	0.0	1.8	-52.6	8.0
CENTRAL MTG	775	11.99	0.00	DEC	0.04	5.25	-2.4	35.3	131.3	0.0	-56.2	4.1
FIRST CONTNL	2106	10.28	0.92	FEB	0.92	8.00	-4.5	-5.9	8.7	11.5	-22.2	16.8
FRASER MTG	1038	16.40	1.04	FEB	1.04	12.50	0.0	11.1	12.0	8.3	-23.8	13.0
HANOVER SQ RLTY	946	11.08	0.00	FEB	0.00	7.38	-1.6	40.6	0.0	0.0	-33.4	7.0
LOMAS & NETLTN	3700	27.77	1.72	MAR	1.72	18.75 X	-4.1	-5.7	10.9	9.2	-32.5	69.4
M&T MORTGAGE	1482	10.25	1.04	FEB	1.04	9.50	-5.0	-5.0	9.1	10.9	-7.3	14.1
MTG TRUST AMER	3860	12.29	0.00	FEB	0.18	6.75	1.8	12.5	37.5	0.0	-45.1	26.1
NATIONWIDE RE	1047	24.13	0.16	MAR	0.16	12.50 X	4.5	56.3	78.1	1.3	-48.2	13.1
SUTRO MTG INV	2322	15.34	0.90	MAR	0.80	9.13 X	-7.4	-2.7	11.4	9.9	-40.5	21.2
WESTERN MTG	1003	7.75	0.00	FEB	0.02	3.50	1.7	7.7	175.0	0.0	-54.8	3.5
GROUP AVERAGE	1757	14.85	0.54		0.54	9.17	-1.0	10.4	17.0	5.9	-38.2	196.3
LONG-TERM MTGS & PROPERTIES												
BT MTG INVSTRS	2116	-2.84	0.00	MAR	0.31	2.00	-11.1	-11.1	6.5	0.0	-0.0	4.2
DELAWARE VLY#	904	10.01	1.38	SEP	1.34	11.75 X	-4.2	-13.0	8.8	11.7	17.4	10.6
EQUIT LF MTG	5662	23.38	2.00	APR	1.84	20.38	-5.2	-22.0	11.1	9.8	-12.8	115.4
HOSPITAL MTG	1178	22.72	0.60	NOV	0.52	10.75	-3.4	17.7	20.7	5.6	-52.7	12.7
MASSMUTUAL MTG	4670	19.53	1.28	JAN	1.32	13.88	-7.5	-9.8	10.5	9.2	-28.9	64.8
MONY MTG INV	8924	9.72	0.92	FEB	0.64	9.25	0.0	-7.5	14.5	9.9	-4.8	32.5
NOWSTRN MUT MT	4758	19.05	1.00	MAR	0.88	11.38	-2.1	-7.1	12.9	8.8	-40.3	54.1
PACIFIC SO MTG	800	11.95	0.64	MAR	0.52	7.38 X	2.2	9.3	14.2	8.7	-38.2	4.4
PNB MTG& RL#	2437	18.73	0.80	MAR	0.80	9.75 X	-4.1	-9.3	12.2	8.2	-47.9	23.8
REALTY REFUND	1309	18.63	2.04	APR	2.04	20.00	-0.6	-4.8	9.8	10.2	7.4	11.0
RLTY & MTG PAC	1890	18.04	1.28	FEB	0.96	13.00	-4.6	5.0	13.5	9.8	-27.9	24.6
SECURITY MTG	6487	5.98	0.00	MAR	0.00	2.88	-8.0	-4.0	0.0	0.0	-51.8	18.7
UNITED REALTY	3610	17.60	0.80	FEB	0.80	10.50	2.4	6.3	13.1	7.6	-40.3	37.9
GROUP AVERAGE	3442	14.81	0.98		0.92	10.99	-1.5	-6.2	11.9	8.9	-25.8	481.4

#NET CASH FLOW, SEE PAGE 6. *GROSS CASH FLOW. -0.0 NEGATIVE BOOK VALUE. VJ-IN BANKRUPTCY REORGANIZATION. ARROWS DENOTE NEW EARNINGS OR DIVIDENDS AND DIRECTION. ZEROES INDICATE LOSS OR NO EARNINGS FOR QUARTER SHOWN. EXTRAORDINARY GAINS NOT ANNUALIZED. P-PHILADELPHIA EXCHANGE. WESTERN MORTGAGE ALSO TRADES ON BOSTON EXCH.

AMERICAN EQUITY INV. EARNINGS & DIVIDENDS TRAILING 12 MONTHS. US EQUITY AND ICM REALTY DIVIDENDS ARE TRAILING 12 MONTHS. CITIZENS & SO. EARNINGS FULLY DILUTED. CONTINENTAL MORTGAGE EARNINGS 10 MONTHS JAN.

	EXCH/ SYMBOL	SHARE (000)	BOOK VALUE	ANN DIV*	-EARNINGS-- MON ANN*	LAST PRICE	% CHANGE MON AGO	FROM- JAN 1	P/E RATIO	ANN* YIELD	% PR TO BK	RETURN ON BK	MKT VA (MIL\$)
MTG & FORECLOSED PROPERTY-MISC SPONSOR													
AMER CENTURY MI	N-ACT	2607	5.23	0.00	MAR	0.00	2.88	-4.0	-8.0	0.0	0.0	-44.9	7.5
BENEF STD MTG	N-BSM	1355	0.36	0.00	JAN	0.25	2.75	-12.1	68.7	11.0	0.0	663.9	3.7
VJCOLWELL MTG	O-CLM	2030	-2.34	0.00	DEC	0.00	1.75	-17.8	118.8	0.0	0.0	-0.0	3.6
CONT ILL RLTY	N-CIR	2797	2.09	0.00	DEC	0.66	3.00	0.0	-7.7	4.5	0.0	43.5	8.4
FIRST COMMERCE	O-PCRMS	1008	11.01	0.00	DEC	0.02	5.50	-8.3	4.8	275.0	0.0	-50.0	5.5
HEITMAN MTG	A-HTM	3292	2.56	0.00	MAR	0.01	1.25	-9.4	-16.7	0.0	0.0	-51.2	4.1
MIDLAND MTG	N-MMT	2382	-0.01	0.00	MAR	0.00	1.63	18.1	30.4	0.0	0.0	-0.0	3.9
MISSION INV TR	A-MIT	1812	4.83	0.00	FEB	0.15	2.25	-10.0	28.6	15.0	0.0	-53.4	4.1
NORTH AMER MTG	N-NAM	4401	9.11	0.00	MAR	0.00	3.63	-19.3	-3.2	0.0	0.0	-60.2	16.0
WACHOVIA RLTY	N-WRI	3335	10.10	0.00	FEB	0.00	4.25	-3.0	-5.6	0.0	0.0	-57.9	14.2
GROUP AVERAGE		2502	4.29	0.00		0.11	2.89	-8.0	7.8	26.8	0.0	-32.7	71.0

PROP & MTG COMBINATION-NON-QUALIFIED (MOST INDEPENDENT)													
AMER REALTY	O-ARB	2222	3.48	0.00	MAR	0.00	2.20	-12.0	89.7	0.0	0.0	-36.8	4.9
BAY COLONY PROP	N-BAY	2992	7.04	0.00	FEB	0.07	3.00	-20.0	9.1	42.9	0.0	-57.4	9.0
C I REALTY #	N-CIX	2609	16.62	0.00	NOV	0.28	13.00	7.2	22.3	46.4	0.0	-21.8	33.9
CITIZENS GROWTH	O-CITGS	811	7.66	0.00	OCT	0.00	3.75	-6.3	114.3	0.0	0.0	-51.0	3.0
FRANKLIN RLTY	A-FR	999	7.68	0.00	MAR	0.35	5.88	0.0	14.6	16.8	0.0	-23.4	5.9
SUMMIT PROP #	O-SMMS	1543	6.92	0.00	JAN	0.57	3.88	-13.8	-3.0	6.8	0.0	-43.9	6.0
US REALTY #	N-UTY	3434	4.09	0.00	DEC	0.44	5.63	-13.4	15.4	12.8	0.0	37.7	19.3
WALTER RLTY #	O-WALJS	1035	7.20	0.00	JAN	0.00	4.38	-5.4	-16.6	0.0	0.0	-39.2	4.5
WISCONSIN REIT	O-WREIS	1514	4.89	0.00	DEC	0.00	2.88	-28.0	-25.8	0.0	0.0	-41.1	4.4
GROUP AVERAGE		1907	7.29	0.00		0.19	4.96	-6.9	13.1	26.1	0.0	-32.0	90.9

MTG & FORECLOSED PROP-NON-QUALIFIED-INDEPENDENT MGMT													
BUILDERS INV	O-BULDS	2929	0.38	0.00	MAR	0.00	1.44	15.2	27.4	0.0	0.0	278.9	4.2
CAPITAL MTG	P-CMU	1675	-0.72	0.00	MAR	0.49	1.13	20.2	39.5	2.3	0.0	-0.0	1.9
VJCONTINENTAL MTG	O-CMI	20838	-3.80	0.00	JAN	0.00	0.28	-22.2	12.0	0.0	0.0	-0.0	5.8
COUSINS M&E	N-CUZ	3854	1.02	0.00	FEB	0.00	1.75	7.4	16.7	0.0	0.0	71.6	6.7
DIVERSIFIED MTG	N-DMG	7327	8.33	0.00	MAR	0.16	2.88	-11.4	9.5	18.0	0.0	-65.4	21.1
VJDOMINION M&R	O-DMRTS	639	-10.86	0.00	FEB	0.00	1.25	42.0	400.0	0.0	0.0	-0.0	0.8
FIRST MORTGAGE	O-FMTGS	8495	-6.27	0.00	JAN	0.00	1.00	6.4	78.6	0.0	0.0	-0.0	8.5
FIRST NEWPORT R	O-FNRIS	2339	3.73	0.00	JAN	0.00	1.25	-9.4	-13.2	0.0	0.0	-66.5	2.9
FIRST VIR REIT	O-FVM	1208	6.02	0.00	MAR	0.22	2.00	0.0	33.3	9.1	0.0	-66.8	2.4
VJGREAT AMER M&I	O-GAA	4456	-13.08	0.00	JAN	0.00	0.50	-25.4	100.0	0.0	0.0	-0.0	2.2
VJGUARDIAN MTG	P-GMI	3000	-13.48	0.00	NOV	0.00	0.69	-21.6	9.5	0.0	0.0	-0.0	2.1
HAMILTON INV	O-HAMTS	2095	5.20	0.00	MAR	0.00	2.38	-4.8	26.6	0.0	0.0	-54.2	5.0
INSTITUTNAL	N-INV	6074	2.99	0.00	JAN	0.00	1.63	-18.5	-31.5	0.0	0.0	-45.5	9.9
KENTUCKY PROPTY	O-KMTGS	1100	1.68	0.00	NOV	0.06	1.88	7.4	88.0	31.3	0.0	11.9	2.1
LIFETIME COM	O-LFTMS	6428	2.26	0.00	OCT	0.26	0.75	19.0	66.7	2.9	0.0	-66.8	4.8
LINCOLN MTG	O-LNMGs	1155	0.69	0.00	MAR	0.00	2.13	13.3	54.3	0.0	0.0	208.7	2.5
LMI INVESTORS	N-LME	2059	6.88	0.00	MAR	0.00	3.00	-17.4	-14.3	0.0	0.0	-56.4	6.2
VJMETROPLEX RLTY	O-JMI	1184	-0.28	0.00	MAR	0.00	0.88	17.3	57.1	0.0	0.0	-0.0	1.0
MTG INV WASH	O-MINVS	2146	4.61	0.00	DEC	0.00	2.50	-4.9	0.0	0.0	0.0	-45.8	5.4
NATIONAL MTG	O-NMF	3707	1.97	0.00	NOV	0.00	0.89	-28.8	58.9	0.0	0.0	-54.8	3.3
NJB PRIME INV	O-NJB	1330	-6.12	0.00	FEB	0.00	1.13	-9.6	264.5	0.0	0.0	-0.0	1.5
PLAZA REALTY	O-PRIS	1114	1.34	0.00	SEP	0.00	0.94	0.0	0.0	0.0	0.0	-29.9	1.0
REPUBLIC MTG	N-RMI	2107	3.92	0.00	MAR	0.00	1.88	-16.4	-16.4	0.0	0.0	-52.0	4.0
TEXAS FIRST MTG	O-TFMRs	1055	7.95	0.00	MAR	0.01	2.75	-12.1	4.6	275.0	0.0	-65.4	2.9
TIERCO	O-TIERS	1161	6.02	0.00	MAR	0.00	1.75	7.4	16.7	0.0	0.0	-70.9	2.0
TMC INDUST	O-TMG	800	-1.69	0.00	DEC	0.00	1.63	18.1	239.6	0.0	0.0	-0.0	1.3
UMET TRUST	N-UAT	2109	-0.59	0.00	FEB	0.00	2.00	-20.0	-33.3	0.0	0.0	-0.0	4.2
WESTPORT CO	O-WSPTS	2388	4.26	0.00	JAN	0.00	2.25	-5.5	0.0	0.0	0.0	-47.2	5.4
GROUP AVERAGE		3385	0.44	0.00		0.04	1.59	-4.5	15.6	37.1	0.0	260.4	121.1

MTG & FORECLOSED PROP-NON-QUALIFIED-COMCL BANK SPONSOR													
AMER FLETCHER M	O-AFM	1352	-0.78	0.00	JAN	1.06	1.56	4.0	77.3	1.5	0.0	-0.0	2.1
BARNETT MTG	O-BMT	2174	-11.26	0.00	DEC	0.00	1.06	-15.2	112.0	0.0	0.0	-0.0	2.3
BARNETT-WINSTON	O-BWITS	1663	-0.41	0.00	DEC	0.03	1.25	-9.4	42.0	41.7	0.0	-0.0	2.1
CAMERON-BROWN	N-CB	2016	7.16	0.00	MAR	0.00	2.75	-8.3	4.6	0.0	0.0	-61.6	5.5
CHASE MAN MTG	O-CMR	4886	-2.93	0.00	FEB	0.00	1.00	-50.0	-46.8	0.0	0.0	-0.0	4.9
CITINATL DEV	O-CIT16	600	13.04	0.00	DEC	0.00	7.50	11.1	20.0	0.0	0.0	-42.5	4.5
CITIZENS MTG	O-CZM	1421	-16.02	0.00	DEC	0.00	0.63	0.0	117.2	0.0	0.0	-0.0	0.9
CITIZENS&SO RLTY	O-CZS	3829	-2.84	0.00	DEC	0.25	0.94	-6.0	49.2	3.8	0.0	-0.0	3.6
CLEVELAND TRUST	O-CTRS	2525	9.82	0.00	MAR	0.73	5.00	2.5	33.3	6.8	0.0	-49.1	12.6
FIDELCO GROWTH	A-FGI	1580	3.53	0.00	FEB	0.76	2.50	-16.7	11.1	3.3	0.0	-29.2	4.0
FIRST DENVER MI	O-FDENS	1621	6.39	0.00	DEC	2.56	2.63	-12.3	16.9	1.0	0.0	-58.8	4.3
FIRST MEMPHIS	O-FPMS	1156	3.71	0.00	FEB	0.70	2.75	0.0	83.3	3.9	0.0	-25.9	3.2
FIRST PENN MTG	N-FPM	2961	2.00	0.00	JAN	0.00	1.63	-6.9	-6.9	0.0	0.0	-18.5	4.8
FIRST WISCONSIN	O-FWMTS	1987	5.58	0.00	DEC	0.18	2.25	0.0	12.5	12.5	0.0	-59.7	4.5
INDEPENDENCE MT	O-IMTGS	2500	-4.02	0.00	DEC	0.00	1.13	17.7	71.2	0.0	0.0	-0.0	2.8
MARYLAND REALTY	O-MDRTS	760	8.26	0.00	FEB	0.05	4.38	-18.6	25.1	87.6	0.0	-47.0	3.3
NW FINANCIAL IN	O-NFINS	1510	14.19	0.00	MAR	0.23	8.13	-5.8	10.2	35.3	0.0	-42.7	12.3
TRI-SOUTH MTG	N-TSI	2260	1.89	0.00	MAR	0.00	1.75	0.0	16.7	0.0	0.0	-7.4	4.0
GROUP AVERAGE		2045	2.07	0.00		0.36	2.71	-5.8	20.7	7.5	0.0	30.9	81.7

MTG & FORECLOSED PROP-NON-QUALIFIED-MISC FIN SPONSORS													
ATICO MTG	O-ACO	2706	3.24	0.00	JAN	0.00	2.25	0.0	-14.4	0.0	0.0	-30.6	6.1
ATLANTA NATL	O-ATNAS	1273	8.77	0.00	FEB	0.00	5.00	2.5	47.9	0.0	0.0	-43.0	6.4
BARNES MTG INV	O-BARNs	1910	11.53	0.00	MAR	0.00	3.75	3.3	36.4	0.0	0.0	-67.5	7.2
CI MTG GROUP	P-CI	4812	-2.85	0.00	JAN	0.00	0.83	-11.7	20.3	0.0	0.0	-0.0	4.0
GMR PROP	N-GMR	2210	3.84	0.00	FEB	0.50	2.00	14.3	-6.1	4.0	0.0	-47.9	4.4
IDS REALTY	O-IDR	2409	-11.26	0.00	JAN	0.55	2.56	28.0	52.4	4.7	0.0	-0.0	6.2
STATE MUTUAL	N-SMU	2786	7.74	0.00	MAR	0.04	3.63	-3.2	0.0	90.8	0.0	-53.1	10.1
GROUP AVERAGE		2587	3.00	0.00		0.16	2.86	4.3	18.5	18.4	0.0	-4.7	44.4

CONVERTIBLE DEBENTURES

DEBENTURE	EX	MAT	INT (%)	CONV AT	RECENT PRICE	YIELD (%)	% CHNG	CONV PARITY	STOCK PRICE
AMER CENTURY	AS	'90	7.00	21.00	67.00	10.4	2.9	14.07	2.88
AMER CENTY'B	NY	'91	6.75	28.00	67.00	10.1	2.3	18.76	2.88
AMER REALTY	OC	'84f	7.00	10.40	63.00	11.1	0.0	6.55	2.20
BAIRD&WARNER	OC	'91	6.75	21.00	67.00	10.1	-1.4	14.07	7.63
BANKAMERICA	OC	'90	6.75	21.00	82.00	8.2	0.0	17.22	11.75
BENEF STD MI	AS	'91f	6.50	27.75	56.38	11.5	5.1	15.64	2.75
CAPITAL MTG	OC	'91f	6.50	33.00	53.00	12.3	1.9	17.49	1.13
CHASE MANHTN	OC	'96	6.50	55.00	30.00	21.7	-43.3	16.50	1.00
CHASE MANHTN	OC	'97	11.63	2.25	50.00	23.3	-49.8	1.12	1.00
COLWELL MTG	OC	'91f	6.50	29.38	40.00	VJ	-11.0	11.75	1.75
CONN GENERAL	NY	'96	6.00	32.50	73.00	8.2	-2.7	23.72	19.00
CONINTL MTG	OC	'90	6.25	19.79	16.00	VJ	-23.7	3.16	0.28
EQUITBL LF M	NY	'90	6.75	26.25	84.75	8.0	2.1	22.24	20.38
FIDELITY MI	OC	'85	7.75	21.25	15.00	51.7	0.0	3.18	0.75
FIRST PENN M	OC	'91	6.75f	26.00	50.00	DEF	2.0	13.00	1.63
FIRST UNION	NY	'91	7.00	13.00	87.00	8.0	-3.2	11.31	11.50
FRANKLIN RLY	AS	'89	7.00	10.00	78.75	8.9	0.2	7.87	5.88
FST NEWPORT	OC	'81f	6.75	27.50	44.00	15.3	-6.3	12.10	1.25
GRT AMER MI	OC	'91	7.00	35.50	18.00	VJ	38.5	6.38	0.50
IANOVER SQ R	AS	'92	7.25	21.00	79.00	9.2	-1.2	16.59	7.38
HEITMAN MTG	AS	'92	7.50	14.70	63.50	11.8	-0.7	9.33	1.25
HOTEL INVSTR	OC	'90	7.75	21.00	85.00	9.1	-5.5	17.85	17.88
HOTEL INVTRS	OC	'91	7.50	25.25	80.00	9.4	-4.7	20.20	17.88
LINCOLN MTG	OC	'90	8.00	11.00	61.00	13.1	0.0	6.71	2.13
MASSMUTL MTG	NY	'90	6.75	21.00	79.00	8.5	-6.1	16.59	13.88
MASSMUTUAL M	NY	'91	6.25	33.50	78.25	8.0	0.3	26.21	13.88
MIDLAND MTG	OC	'86	7.00	16.67	46.00	15.2	-6.0	7.66	1.63
MONEY MTG IN	NY	'90	7.00	11.00	78.50	8.9	-7.8	8.63	9.25
MTG INV WASH	OC	'90	8.00	15.00	64.00	12.5	0.0	9.60	2.50
NJB PRIME	OC	'91	6.75	21.00	34.00	DEF	3.0	7.14	1.13
NOMSTRN MUTL	NY	'91	6.00	21.00	77.25	7.8	0.0	16.22	11.38
RAM PACIFIC	OC	'91	6.75	21.00	77.00	8.8	0.0	16.17	13.00
REALTY INCOM	AS	'91	8.00	18.00	81.25	9.8	0.6	14.62	12.25
REPUBLIC MI	NY	'90	9.00	19.00	91.63	9.8	0.0	17.40	1.88
SAUL (BF) RL	OC	'91	6.50	23.00	66.00	9.8	-0.7	15.18	5.75
SAUL (BF) REI	OC	'90	8.00	15.50	79.50	10.1	1.3	12.32	5.75
STATE MUTUAL	AS	'91	6.75	21.00	68.00	9.9	0.0	14.28	3.63
SUTRO MIT	NY	'82	6.75	20.00	84.00	8.0	-1.1	16.80	9.13
SUTRO MTG	AS	'91	6.75	20.00	74.75	9.0	1.0	14.95	9.13
TRI-SOUTH MI	NY	'92f	7.00	29.50	47.13	DEF	-1.2	13.90	1.75
US BANCORP	AS	'92	7.00	26.25	76.13	9.2	-0.4	19.98	12.38
US REALTY IN	NY	'89	5.75	20.20	65.00	8.8	-1.8	13.13	5.63
WESTPORT CO	OC	'91f	6.75	21.00	56.00	12.1	0.0	11.76	2.25

CONVERSION PARITY IS PRICE AT WHICH THE SHARES WOULD HAVE TO SELL TO JUSTIFY THE DEBENTURE PRICE. DEF-IN DEFAULT. f-TRADES FLAT, WITHOUT ACCRUED INTEREST. VJ-IN BANKRUPTCY REORGANIZATION.

WARRANTS

NAME	EXCH/ SYMBOL	EXP DATE	OUT (000)	EXER PRICE	NO. SH.	WTS PRICE	STK PRICE	CONV PREM	% CHNG	MKT VA (MIL\$)
AMER CENTURY	A-ACTW	6/78	897	23.00	1.0	0.01	2.88	699.0	-49.9	0.0
ATICO MTG IN	O-ACOW	12/79	563	15.00	1.0	0.03	2.25	568.0	-39.9	0.0
BARNES MTG	O-BARNW	12/82	1910	20.00	1.0	0.05	3.75	434.7	0.0	0.1
BENEF STD MT	A-BSMW	7/80	554	20.00	1.0	0.16	2.75	633.1	-35.9	0.1
CAPITAL MTG	O-CMORW	11/79	471	17.63	1.0	0.03	1.13	1462.8	0.0	0.0
CITIZNS&SO-B	O-CZS5	4/83	258	2.00	50.0	3.00	0.94	119.1	-33.2	0.8
FLATLEY RLTY	O-FLTLW	5/79	1000	10.00	1.0	0.13	3.88	161.1	0.0	0.1
JMB REALTY	O-JMBRW	8/82	510	20.00	1.0	2.00	18.00	22.2	77.0	1.0
M&T MTG INV	O-MTMIZ	8/80	747	13.00	1.0	0.25	9.50	39.5	0.0	0.2
MTG INV WASH	O-MINWV	3/80	931	15.00	1.0	0.06	2.50	502.4	0.0	0.1
NATIONWID RE	O-NRELW	1/81	652	32.00	1.0	0.02	12.50	156.2	0.0	0.0
NORTH AM MTG	A-NAMW	3/79	710	31.13	1.0	0.06	3.63	759.2	0.0	0.0
REALTY REFUN	O-RRF5	8/78	328	23.00	1.0	0.25	20.00	16.3	92.3	0.1
REPUBLIC MI	A-RMIW	6/79	1064	20.00	1.0	0.06	1.88	967.0	0.0	0.1
SAN FRAN REI	A-SFIW	12/80	1348	25.00	1.0	1.00	16.25	60.0	58.7	1.3
SECURITY MT*	A-SMOW	5/79	3117	16.00	1.0	0.06	2.88	457.6	-53.7	0.2
SUTRO MIT(B)	A-SUTW	6/82	700	20.00	1.0	1.13	9.13	131.4	-9.5	0.8
UNITED RLY	A-URTW	12/79	3610	20.00	1.0	0.19	10.50	92.3	46.2	0.7

*DEBENTURES USABLE IN LIEU OF CASH.

NON/LOW-EARNING INVESTMENTS

	<u>Number</u>	<u>-----Invested Assets-----</u>		<u>% Non- and</u>	<u>% Change</u>
		<u>Non/Low-Earn.</u>	<u>Total</u>	<u>low-earning</u>	<u>in month</u>
TOTALS/AVERAGES.....	142	\$7,073 M*	\$14,078 M	50%	-3.0%
(as of April 26, 1978)					
* Includes \$1,178M or 8.3% low-earning assets.					
PROPERTY	31	\$ 100 M	\$ 2,032 M	5%	-5.8
PROPERTY & MTG	24	537	1,987	27	-4.9
SHORT/TERM MTG.	11	193	718	27	-2.9
L/T MTG/PROPERTY	13	332	1,700	20	-2.0
MTG/FORECLOSED PROP	63	5,335	7,118	75	-9.0
TOTALS/AVERAGES.....	142	\$6,497M*	\$13,556 M	48%	-8.1%
(as of May 24, 1978)					

HOW TO USE COMPARATIVE TRUST STATISTICS

These data are designed to facilitate comparison of relative efficiency of real estate investment trust managements with available funds. Readers should note that historical data are used and thus no earnings or dividend projections or estimates are included. Investors are advised to consider carefully the following distinctive characteristics of REITs compared with other industrial or financial securities:

Annualized Dividend and Yield: Most REITs do not pay a posted quarterly dividend rate but instead pay their approximate earnings (or net cash flow, if appropriate) for the quarter. They follow this practice because REITs are required to pay at least 90% of earnings to shareholders in order to qualify for exemption from Federal income taxes. This practice means that dividends paid by most REITs will vary much more from quarter to quarter than industrial securities. This possibility for quarterly variations gives REIT shares higher risk because earnings do not provide a safety margin of coverage for the dividend as they do for industrial stocks. The outlook and stability of dividends are thus key factors in our RELATIVE APPEAL RANKINGS. The "Annualized Dividend" column is the latest quarterly payout annualized by multiplying by four, and adjusted for any capital gains or other special dividend payments. Special dividends, marked "S", are paid to maintain tax exemption but are not expected to be continued in subsequent quarters. Because of these possible variations, annualized dividends and yield are not to be considered in any way as posted or guaranteed yields.

Annualized Earnings and Price/Earnings Ratio: For mortgage trusts, latest quarter earnings are multiplied by four. Zeroes indicate losses or no earnings for the quarter indicated. Losses per share are shown in RELATIVE APPEAL RANKINGS. For equity trusts, annualized net cash flow as calculated by Audit Investment Research, Inc. is used in place of earnings as the best single measure of results. Net cash flow is defined as net income plus depreciation minus mortgage amortization. The symbol "#" indicates cash flow in the earnings column. For a few trusts, gross cash flow (i.e., net income plus depreciation) is used, denoted by "*". Cash flow derived from amortization of debt discount is denoted by "@". The price/earnings ratio relates current price to the most appropriate earnings result. Both earnings (EPS) and net cash flow (CFS) per share for equity trusts for current periods are shown in RELATIVE APPEAL RANKINGS.

Shares: The number of shares outstanding, in thousands, is the number issued as of the latest balance sheet and is not adjusted for any potential conversion of debentures or exercise of warrants. Book value per share is essentially net tangible worth per share. The number does not reflect any changes in asset values through appreciation or abnormal depreciation of assets, nor any potential increase from possible conversion of debentures. Realized and estimated investment losses, as determined by management's provision for possible losses, are deducted from book value under AICPA rules. Audit also deducts intangible debt discount and expense costs from book value.

EARNINGS TRENDS: DIVIDEND PAYERS WEAKEN A BIT BUT RECOVERING TRUSTS IMPROVE

All but four of 26 qualified trusts reporting the past month moved into the black, best showing as a group for many months. But earnings weakened for many dividend paying stalwarts as rising interest rates narrowed spreads for mortgage trusts and higher utility and maintenance costs from the bitter winter pinched earnings for many property trusts.

Most sobering decline was at Equitable Life Mortgage where earnings dipped to 46¢/sh. in the April quarter, confirming the earlier dividend cut to 50¢/sh. for the quarter (RTR, April 14 and 28). With about 59% of funds floating with the prime rate while only 43½% of the portfolio floats, EQ is vulnerable. The shares now yield about 10% on the latest dividend, which seems to make them candidates for accumulation as the interest rate cycle runs its course. Higher rates have narrowed the gross spread by 1.2% to 1.94% in the latest six months and with advisory and administrative expenses running at 1.06% of average assets, profit margin has narrowed considerably. Investors have recognized this by selling EQ to new lows recently.

Realty ReFund is in much the same pickle as rising rates on its floating short-term debt narrowed spreads and cut April quarter earnings to 51¢/sh., down 4% from the previous quarter. RRF shares also have been testing for a bottom. It moved to lessen vulnerability by selling \$15 million of 12% subordinated sinking fund debentures May 25. The higher rate would cut quarterly earnings by about 4¼¢/sh., or to about 46¢/sh. by our estimates. That's a stiff price for insurance against rising interest rates but means the shares at 18¼ (NYSE) would yield about 10% on this new lower expected dividend rate.

BankAmerica Realty earnings gained 72% from the prior quarter and 158% from 1977 to 31¢/sh. in the April quarter, income including 7¢/sh. collection of past-due interest from borrowers. Nonearning investments were reported cut to 19% of invested assets, vs. 30% a year earlier. Federal Realty reported earnings were at 35¢/sh. in the March quarter but the total included 6¢/sh. gain on sale of land adjoining a Gastonia, N.C. shopping center for a new regional chain store. Federal also bought its 12th shopping center, Town & Country Plaza in Hammond, La. by issuing 49,700 sh. (market value about \$825,000) over a \$3.3 million mortgage. General Growth Properties also reported net income up after an 10¢/sh. gain on sale of assets. Net cash flow from operations rose 1½% and held level at 36¢/sh. The trust opened a new Jefferson City, Mo. shopping center in February and expects to open three new malls this year.

Qualified trusts reporting losses including North American Mortgage, whose 35¢/sh. loss included 5¢/sh. depreciation charges from its sizeable holdings of foreclosed properties. B.F. Saul REIT continued its slow recovery, narrowing the loss to 20¢/sh. after an 8¢/sh. gain on sale of assets. But the trust is reported to have several other asset sales in the mill and these plus prospective mortgage financing for an estimated \$50-\$60 million could sharply reduce or even eliminate the \$100 million bank debt in near-term quarters. That move could lessen or eliminate this trust's vulnerability to rising short-term rates, which otherwise would set back the recovery. Baird & Warner reduced its loss sharply in the April quarter to 8¢/sh. but with nine months of its July fiscal year now gone, the trust is in peril of having no taxable income to pay as dividends to shareholders next year; the trust typically has lagged dividends one year behind taxable earnings (which may differ from reported earnings).

Heitman Mortgage returned to modest profitability by 1¢/sh. in the March quarter partly because it too collected past-due interest on two large loans that were repaid. This let HTM pay bank debt down to \$51.4 million and set a new one-year loan pact

New Earnings Reports

Trust-Period ended	-Latest Q-Th-\$- Earn/Spcl. Item#	-Latest Q-EPS-- Earn/Spcl. Item#	-Earnings/sh.- Prev.Q	-Yr. ago Q	-Y Chng. From*- Prev.Q	-Yr. ago Q
Quarterly results: Qualified trusts:						
Baird & Warner...Apr...\$ d 88		\$d0.08	\$d0.59	\$d0.06a	Better	Worse
BankAmerica Rty.Apr...1,099		0.31	0.18	0.12a	+72%	+158%
BRT Realty.....Feb...d 74		d0.05	d0.78	d0.09	Better	Better
BT Mtg. Inv.....Mar... 665/1,679S		0.31/0.79S	d0.05a	d0.21	Better	Better
Consol. Cap. Rl..Feb... 58/114G		0.03/0.06G	d0.07	d0.24	Better	Better
Equit. Lf. Mtg...Apr... 2,600		0.46	0.48	0.59	- 4	-22
Federal Realty...Mar... 479/ 84G		0.35/0.06G	0.43	0.30	-19	+17
General Growth...Mar... 2,389/635G		0.39/0.10G	0.34a	0.33a	- 9	+ 4
Gould Investors...Mar... 179		0.15	0.37a	0.30a	-29*	+25*
Heitman Mtg.....Mar... 22		0.01	d0.04	d0.01	Better	Better
Hubbard REI.....Apr... 1,632		0.41	0.38	0.35	+ 8	+17
Indiana M&R.....Mar... 14/ 8G		0.01/0.01G	d0.02	d0.06	Better	Better
JMB Realty.....Feb... 236		0.46	0.46	0.45	UC	+ 2
Nationwide RE....Mar... 44		0.04	0.04	0.04	UC	+25
No. Amer. Mtg...Mar...d1,507		d0.34	d0.26b	d0.32	Better	Worse
Pacific So. Mtg...Mar... 107		0.13	0.15	0.11	-13	+18
Pittsburgh&W.Va...Mar... 312		0.21	NA	0.19	NA	+11
Prop. Tr. Amer...Mar... 44		0.02	0.16a	0.01a	Worse*	UC*
REIT of Calif...Mar... 177		0.32	0.42	0.31	-24	+ 3
RE Inv. Props...Mar... 220		0.46	0.46	0.38	UC	+21
Realty Refund...Apr... 666		0.51	0.53	0.60	- 4	-15
Riviere Rty.....Mar... 133/ 35G		0.17/0.04G	0.15	0.06	-13*	+117*
Saul (B.F.)REIT...Mar...d1,146/502G		d0.20/0.08G	d0.29	d0.42	Better	Better
Virginia REIT...Mar... 64/d30a		0.05/d0.03a	0.17	0.06	-71	-16
Washington REIT...Mar... 513		0.34	0.48	0.38	-29	-11
Western Mtg.....Feb... 15		0.02	0.09a	0.06a	-50*	UC*
Quarterly: Non-qualified business trusts:						
Amer. Realty.....Mar... d354		d0.16	0.59a	d0.19	Worse	Better
Atico Mtg. Inv...Jan...d1,533		d0.57	d1.93b	d0.37b	Better	Worse
Barnes Mtg. Inv...Mar... d391		d0.20	d0.19a	d0.26a	Better*	Better*
Builders Inv...Mar...d2,120/524S		d0.72/0.20S	3.03b	d4.38b	Worse*	Better*
Cameron-Brown...Mar... d512/1036S		d0.25/0.51S	d0.48	d0.62	Better	Better
Capital Mtg. Inv...Mar... 818/1088S		0.49/0.65S	0.11b	d0.79b	Better	Better
Citizens Growth...Jan... d710/346S		d0.88/0.43S	d0.08b	0.07b	Worse*	Worse*
Citizens Mtg. In...Mar... d801		d0.56	d1.43	d1.11	Better	Better
Cousins M&E...Feb... d653		d0.17	d0.10b	d0.27b	Better*	Better*
Diversified Mtg...Mar... 1,177/2471S&T		0.16/0.34S&T	2.81b	d0.39b	Worse*	Better*
Dominion M&R...Feb... d 17		d0.03	d0.24	d1.63	Better	Better
First Memphis...Mar... 807/1346S		0.70/1.16S	0.01b	d0.27	Better	Better
First Virginia...Mar... 264/d64L		0.22/d0.05L	2.85a	d0.69	Better*	Better
Franklin Rty....Mar... 142/ 68N		0.14/0.07N	0.24a	d0.10	-42	Better
GMR Properties...Feb... 1,094/1356S		0.50/0.61S	d0.18b	d1.23b	Better	Better
Hamilton Inv....Mar... d170		d0.08	d0.35b	d0.18	Better	Better
IDS Realty Tr...Jan...pl,370/709T		0.55/0.29T	5.56b	d0.43	NM	Better
Instit. Invest...Jan...d8,540/1353S		d1.41/0.22S	d0.29a	d1.13	Worse	Worse
LMI Investors...Mar... d451		d0.22	3.77b	d0.32b	Better*	Better*
Lincoln Mtg....Mar... d 62/ 81G		d0.05/0.07G	0.17a	d0.57a	Better*	Better*
Midland Mtg....Mar... d435/648S		d0.18/0.27S	d0.09b	d0.12b	Better*	Better*
NJB Prime Inv...Feb... d832		d0.63	d0.48	d0.07b	Worse	Worse*
Republic Mtg....Mar... d639		d0.30	d0.38	d0.20b	Better	Worse
State Mut. Inv...Mar... 113/ 57N		0.04/0.02N	9.62b	d1.02	-98	Better
Texas First Ml...Mar... 13/ 20S		0.01/0.02S	0.18b	0.17b	Worse*	Better*
TIERCO.....Mar... d 82/ 23G		d0.07/0.02G	0.69b	d0.10	Better	Better*
Tri-South Mtg...Mar... d509		d0.23	d0.61	d0.17b	Better*	Better*
U.S. Realty Inv...Mar... d206		d0.06	0.05a	d0.12	Better*	Better*
Wisconsin REIT...Mar... 13/193G&N		0.01/0.12G&N	d0.49b	0.61b	NM	NM
Annual results: All trusts						
Atico Mtg. Inv...Oct...d8,836/2,182S		d3.27/0.81S	---	d2.02	---	Worse
Citizens Growth...Jan...d1,054/ 391S		d1.30/0.48S	---	d3.45	---	Better*
GMR Properties...Feb... d759/1,982S		d0.34/0.90S	---	d2.73	---	Better
IDS Realty.....Jan...15,600/14,600N&T		6.46/6.06N&T	---	d16.10	---	Better
Institu. Invest...Jan...d4,992/1567G		d2.47/0.57G&S	---	d3.06	---	Better
1877S						
Lincoln Mtg.....Mar... d604/507G		d0.52/0.44G	---	d0.72	---	Better
Nationwide RE....Mar... 177		0.17	---	0.15	---	+13%
Pacific-So. Mtg...Mar... 463		0.58	---	0.60	---	- 3
State Mut. Inv...Mar...26,055/23361Z		9.35/8.39Z	---	d4.02	---	Better
Western Mtg. Inv.Feb... 938/898G		0.93/0.89G	---	d0.09	---	Better*

UC=Unchanged, NM=Not meaningful, r=Restated, p=Preliminary, d=Deficit.

*--Special items shown in both thousands dollars and share amounts as: G=Gain on sale of assets; I=Interest forgiveness; L=Loss on sale of assets; N=Net operating loss (NOL) benefit; R=Recovery of past-due interest; S=Swap of assets with banks; T=Gain on market purchase of debt at discounts; X=Settlement with adviser or sponsor; Z=Gain on debt restructuring via exchange or tender offers.

** Comparisons are based upon earnings per share. Where loss is reported in one or both quarters, change in direction is shown as "Better" or "Worse."

* Compared before special items.

a--Gains or losses on asset sales in share results for previous and year-ago quarters are:

Baird & Warner, 5c/sh. in year-ago qtr.; BankAmer. Rty., 2c/sh. in year-ago; BT Mtg., 12c/sh. sale gains and asset swaps in prev. qtr.; Gen. Growth, 2c and 5c/sh. in prev. and year-ago; Gould Inv., 16c and 18c in prev. & yr.-ago; Prop. Tr., 11c/sh. in prev. & 1c chrg. in year-ago; Virginia, 3c/sh. prepayment penalty in latest; Western Mtg., 6c and 4c in prev. and yr.-ago; Amer. Rty., 44c in prev.; Barnes, 22c and 18c in prev. & year-ago; First Vir., 5c gain and \$2.90 recovery of fidelity bond in prev.; Franklin, 3c in prev.; Lincoln, 37c gain in prev. and 20c loss in year-ago; U.S. Rty., 16c in prev.

b--Asset swap gains, tax benefits from net operating losses (NOL), and gains from early retirement of debentures at discounts via tenders in previous and year-ago qtrs. are: No.Amer., 12c debenture swap in prev.; Atico, 15c and 32c swaps in prev. and yr.-ago; Builders, 3.15 and 54c in prev. & yr.-ago; Capital, 49c and 64c in prev. & yr.-ago; Cit. Grow., 6c and 26c in prev. & yr.-ago; Cousins, 66c and 19c in prev. & yr.-ago; Diversified, 4.28 swap and discounted debt in prev., 11c swaps in yr.-ago; First Mem., 10c in prev.; GMR 19c and 8c in prev. & yr.-ago; Hamilton, 41c in prev.; IDS, 5.60 discounted debt and NOL in prev.; Inst. Inv., 24c swap and asset sales in prev.; LMI, 4.08 in prev. and 30c in year-ago; Midland, 47c and 1.03 in prev. & yr.-ago; NJB, 27c debt gain in year-ago; Republic, 15c swaps in year-ago; State, 8.51 debt restructuring gain in prev.; Texas Fir., 16c and 20c swap and NOL gains in prev. and yr.-ago; TIERCO, 1.11 swaps in prev.; Tri-South, 45c swaps in year-ago.

with banks. Another recovering property trust, Hubbard Real Estate boosted earnings to 41¢/sh. in the April quarter and also upped the dividend. It continues progress in re-leasing former W.T. Grant stores. A smaller combination equity/mortgage trust, Indiana Mtg. & Rty. inched 1¢/sh. into the black, mostly on gains from selling \$9.6 million of properties in the March quarter.

Former REITs now operating as taxable business trusts are having more difficulty in mounting recoveries, mainly because they are coping with deeper problems. Capital Mtg. was 49¢/sh. in the black in March but only after 65¢/sh. extraordinary gains on exchanging assets for both bank debt and \$2.1 million of its 6½% convertibles. Bank debt has been cut to \$38½ million but the trust's capital base has fallen below the \$12 million required. It is seeking waiver. First Pennsylvania Mtg. announced agreement with its bank lenders and is to pay interest on its 6-3/4% convertible debentures on May 27, the date delayed from the original March 1 date. GMR Properties lost 34¢/sh. in the Feb. 1978 fiscal year, dramatically down from the \$2.73/sh. of 1977, closing its year on a 50¢/sh. profit after 61¢/sh. gain on asset swaps. About 37½% of GMR investments aren't earning income. GMR is reviewing various plans to restructure GMR's senior and subordinated debt but have made no final decision. Cameron-Brown stayed in the red after reaping 51¢/sh. gains on asset sales and swaps. The trust has repaid \$37 million to banks since Jan. 1977, with about \$11½ million coming from asset swaps and the rest from direct sales. It has now made all required \$30 million repayments due to banks by Dec. 31, 1978 but continues to press for rapid paydown of bank debt, seeking cancellation of \$2.98/sh. accrued interest and protection against a rise in interest on bank debt from 5½% now to 125% of prime rate in 1979.